

REFERENCE TITLE: state depositories; technical correction

State of Arizona
House of Representatives
Forty-seventh Legislature
Second Regular Session
2006

HB 2403

Introduced by
Representative Pearce

AN ACT

AMENDING SECTION 35-325, ARIZONA REVISED STATUTES; RELATING TO STATE SERVICING BANKS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 35-325, Arizona Revised Statutes, is amended to
3 read:

4 35-325. Servicing bank of public monies

5 A. Any bank that qualifies to become an eligible depository of the
6 deposits of public monies, that has a total capital structure of ten million
7 dollars or more,~~— AND~~ resources of one hundred million dollars or more and
8 that is otherwise in a sound condition,~~—~~ is eligible to be the servicing bank
9 for the deposits of state and county monies.

10 B. No later than the first Monday in March of each year of award, the
11 county boards of deposit shall in writing notify each of the banks qualified
12 to be a servicing bank of the time and place at which servicing bids will be
13 received. Notification of bids shall clearly specify all services required
14 to be performed by the servicing bank. The servicing bid solicited shall be
15 the sum of dollars for which the qualified bank will agree to perform the
16 required services as a servicing bank for the ensuing period of designation
17 as established by the board of deposit. The award shall be made for an
18 initial period of not more than three years with the option to renew for two
19 years on the mutual consent of the parties and may be paid from general fund
20 interest earnings according to rules adopted by the board of deposit.

21 C. No later than the fourth Monday in April of the year of the award,
22 county boards of deposit shall meet and receive the servicing bids in
23 writing. Only those bids which conform to the specifications set forth in
24 the notification of bids shall be considered. The qualified bank
25 representing the lowest bid shall be designated as the servicing bank.
26 Designations shall be evidenced by the signing of the notification of bid by
27 the treasurer and the designee bank. If there are identical low bids the
28 board of deposit shall determine by lot which of the identical low bidders
29 shall be the designee.

30 D. A treasurer or servicing bank may terminate a servicing bank
31 contract at any time after one hundred eighty days' prior written notice is
32 given.

33 E. This section does not require any treasurer to utilize a servicing
34 bank.

35 F. This section or the specifications set forth in the notification of
36 bids shall not be construed to require the servicing bank to purchase
37 warrants.